

Before the State of South Carolina  
Department of Insurance

In the Matter of:	)	
	)	Consent Order Imposing
United Benefit Life Insurance Company	)	Administrative Fine
17800 Royalton Road	)	
Strongsville, Ohio 44136	)	File No.: 1999286-004-044
_____	)	<i>100185</i>

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance (the Department) and United Benefit Life Insurance Company, an insurer authorized to transact business in the State of South Carolina (the Company).

The Company acknowledges that it failed to timely provide requested information to the Department's Office of Insurer Licensing and Solvency Services. This is a direct violation of S.C. Code Ann. § 38-13-160 (Supp. 1998) that can ultimately lead to the revocation or suspension of an insurer's certificate of authority to transact the business of insurance in South Carolina.

Prior to the initiation of any administrative proceedings by the Department against the Company, the parties agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision, rather than to proceed toward a formal public hearing. The consensual recommendation was that, in lieu of the Department seeking to revoke the authority of the insurer, the Company would waive its right to a public hearing and immediately pay an administrative fine in the total amount of \$500.

Section 38-5-120 (Supp. 1998) states, in pertinent part, that the Director of Insurance "shall revoke or suspend certificates of authority granted to an insurer . . . if he is of the opinion upon examination or other evidence that . . . (t)he insurer has not complied with the law or with the provisions of its charter." Alternatively, Section 38-5-130 provides that in lieu of license revocation or suspension, the Director may impose a monetary penalty as provided in Section 38-2-10. Section 38-13-160 states that, "The director or his designee may require any authorized insurer or its officers to answer any inquiry in relation to its transactions, condition, or any connected matter necessary to the administration of the insurance laws of the State. Every corporation or person must reply in writing to the inquiry promptly and truthfully, and every reply must be verified, if required by the director or his designee, by the individual or by the officer or officers of a corporation as he designates."

\_\_\_\_\_  
United Benefit Life  
Insurance Company

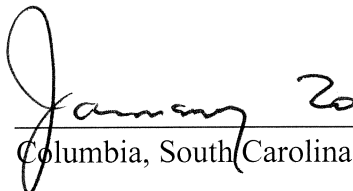
After a thorough review of the record, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law, that the Company has violated S.C. Code Ann. § 38-13-160 (Supp. 1998). Although I can now revoke the Company's certificate of authority, I hereby invoke the discretionary authority given to me and impose against the Company an administrative fine in the total amount of \$500. That fine must be paid within ten days of the date of my signature upon this Consent Order. If that total fine amount is not timely paid, the Company's certificate of authority will be revoked without any further disciplinary proceedings.

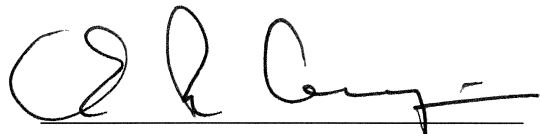
This fine has been reached by the parties as a result of negotiation and compromise, and in consideration of the Company's assurance that it will timely respond to the Department's future requests for information. By its authorized signature upon this Consent Order, the Company acknowledges that this administrative order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (Supp. 1991 and 1998). Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 1998), of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that United Benefit Life Insurance Company shall, within ten days of the date of my signature on this Consent Order, pay through the South Carolina Department of Insurance an administrative fine in the total amount of \$500.

It is further ordered that a copy of this Consent Order be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This Consent Order becomes effective as of the date of my signature below.

  
\_\_\_\_\_, 1999  
Columbia, South Carolina

  
\_\_\_\_\_  
Ernst N. Csiszar  
Director

\_\_\_\_\_  
United Benefit Life  
Insurance Company

I CONSENT:

Otto J. Lombardo

Printed Name: OTTO J. LOMBARDO

Title: ASST. V.P.

United Benefit Life Insurance Company  
17800 Royalton Road  
Strongsville, Ohio 44136

Dated this 30 day of December, 1999.